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C O N F I D E N T I A L NDJAMENA 000637

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FOR GENERAL WARD

E.O. 12958: DECL: 08/03/2017
TAGS: [PREL](#) [PGOV](#) [CD](#)
SUBJECT: SCENESTTER FOR GENERAL WARD

Classified By: Charge d'affaires Lucy Tamlyn for reasons
1.4 (b) and (d)

¶1. (C) General Ward: Your first visit to Chad will highlight for President Idriss Deby Itno the importance the United States attaches to the Trans-Sahara Counterterrorism Partnership (TSCTP) and U.S. appreciation for Chad's support on counter-terrorism issues. We anticipate that the President will raise Chad's request for the purchase of C-130's and stress Chad's desire to see the Darfur conflict resolved. In our ongoing dialogue with the Government of Chad we have encouraged Chad to accept early deployment of an international force to protect Sudanese refugees, displaced Chadian and humanitarian workers in eastern Chad. We have also encouraged the President to create an inclusive political environment which allows for credible elections and a peaceful political transition.

CHAD OVERVIEW -----

¶2. (C) Chad is a landlocked, impoverished nation situated in the geographical "heart" of Africa. Violent regime change has been the rule since independence in 1960. Chad's estimated 9.4 million people are primarily farmers or herders; new oil revenues have yet to trickle down to the village level, and infant mortality and illiteracy rates are among the world's highest. Chad has a longstanding tradition of practicing a moderate and tolerant Islam and Chadians tend to be pro-American.

¶3. (C) United States interests in Chad have evolved considerably over the last seven years. Highlights of the new relationship include large scale U.S. humanitarian support for the Darfur refugees in Chad, U.S./Chad cooperation on counter-terrorism efforts and the presence of a large U.S.-led oil consortium.

¶4. (C) Chronic regime instability affects all of those interests. So far, President Deby has successfully warded off challenges to his 16-year regime by arms and negotiation, but encouraging a peaceful political transition in Chad and supporting democratic institutions are significant challenges for our diplomatic efforts. A more stable Chad would be a better partner in addressing regional instability, including the Darfur conflict, the chronically unstable Central Africa Republic and terrorist threats from extremist ideologies.

President Deby -----

¶5. (C) President Deby has been on a winning streak over the last two years. He trounced rebels (with the help of French forces) who attacked N'Djamena in 2006. He faced down the World Bank in a conflict over use of oil revenues and won. President Deby's oil income has given him a sizable advantage

in weaponry and the ability to buy off threats. In early 2007, rebel leader Mahamat Nour made peace with Deby and is now serving as Chad's Minister of Defense. Under the auspices of Libyan President Qaddafi, Deby is currently in talks with other rebel groups. But the price of his modus operandi is high. The public enrichment of his Zaghawa clan is a source of division, both from outsiders jousting for a share of the spoils, and insiders scheming to maintain the family's place at the public trough. Although President Deby has presided over Chad's most peaceful era since independence, his legacy risks being undermined by his reluctance to move toward opening the political arena, and demonstrating that a peaceful transition of political power is possible in Chad

AN INTERNATIONAL FORCE IN EASTERN CHAD

¶6. (SBU) Chad's eastern region hosts 12 refugee camps containing over 200,000 Sudanese refugees and over 170,000 Chadian IDPs. This environmentally fragile region has been negatively impacted by the presence of refugees competing for water and firewood with the local inhabitants. In 2006 and 2007, as Chadian rebels made bolder incursions into Chad, and violent clashes with the Chadian army become more frequent, eastern Chad became a zone of peril for the UN and its partner NGOs. The security vacuum led to opportunistic attacks on border towns by armed militias (Chadian or Sudanese janjaweed) and Chadian displacement surged as villagers fled their homes.

¶7. (C) The United States has welcomed President Deby's recent consent to the stationing of UN gendarmes and EU/French military forces in eastern Chad to protect humanitarian workers, Darfur refugees and Chadian displaced persons. This force might deploy as early as mid-October 2007. We know that he is concerned that a UN follow-on force would be unpalatable to neighbors Sudan and Libya, despite their more forthcoming attitude to the UN "Hybrid" force in Darfur. He has also argued that an armed gendarme force is sufficient to protect humanitarian workers, refugees and IDPs in eastern Chad and insists that Chad will be responsible for its border.

THE SUDAN FACTOR

¶8. (C) Chad and Sudan have broken up and made up repeatedly over the last two years. The 2006 Tripoli agreement, brokered by Libyan President Qaddafi signaled a renewal of relations and an agreement to cease supporting rebel movements bent on destabilizing or overthrowing the other. After a year of half-hearted efforts, it appears that Chad and Sudan are more serious about implementing the agreement, particularly now that Saudi Arabia has stepped in as a facilitator. Chad considers itself the "first victim" of the Darfur conflict, but its own record is not clean in terms of meddling in Darfur politics. Chad's leadership professes strong support for current UN/AU-led initiatives to bring the Darfur Peace Agreement non-signatories back to the negotiating table and we have seen signs that Chadian support for Darfur rebels may be waning.

OIL AND DEVELOPMENT

¶9. (U) Chad's first oil began pumping in 2003 and flowing down the 1070-kilometer pipeline to the Cameroonian coast. The largest single U.S. private investment in Africa, the \$6 billion project is managed by a consortium led by ExxonMobil. In 2007 alone, Chad will earn over USD 1 billion in combined profit taxes and royalties from the consortium. The pipeline is now handling up to 145,000 barrels of oil per day and new oil fields are being brought on line.

¶10. (SBU) Most Chadians earn a living through agriculture or livestock. Once a significant source of revenue, Chad's

cotton-producing sector has been unable to successfully pursue opportunities offered by privatization. U.S. cotton subsidies are frequently blamed as the source of the collapse of Chad's cotton sector, but inefficient management by parastatals has as much to do with the sector's failures. Chad is eligible to export products under the African Growth and Opportunity Act, but, aside from oil, has only managed to export small amounts of gum arabic (used in food processing) and shea butter. Poor to non-existent infrastructure, corruption and absence of a skilled work force hinder foreign and domestic investment.

¶11. (SBU) As part of the oil pipeline financing package arranged by the World Bank and other lenders, Chad agreed to an innovative arrangement for managing its oil revenues whereby the bulk of the royalties would be earmarked for social sectors such as health and education. Not surprisingly, this pathbreaking experiment in transparency foundered in December 2005 when the President, strapped for cash, unilaterally changed the Chadian law governing use of oil revenues. This provoked a rupture with the World Bank which took over five months to resolve. The new agreement recommitments the Government to funding priority poverty reduction sectors, but allows wiggle room for spending on security.

¶12. (SBU) Chad's oil boom -- expected to last less than a decade -- will severely test its absorptive capacity and ability to manage and spend the resources so as to promote sustainable economic growth and improve the Chadian standard of living (currently ranked among the lowest in the world.) Chad's ability to maintain fiscal discipline is severely taxed by low government capacity and the use of revenues for security spending. Absent better fiscal discipline, Chad runs the risk of losing access to the IMF's Poverty Reduction and Growth Facility.

FIGHTING TERRORISM

¶13. (SBU) Chad's vast and porous borders leave it open to infiltration by terrorist elements. In March 2004, the Chadian army engaged in an intense battle with members of the terrorist group GSPC. The terrorist leader Al-Para was finally handed over to Algerian authorities in October of that year. The cooperation of Chad's security services and army on counter-terrorism issues has been excellent, and President Deby welcomes additional U.S. counter-terrorism assistance provided under the TSCTP. In July 2004, U.S. Marines finished training and equipping 179 Chadian soldiers as part of the Pan-Sahel Initiative (PSI), the TSCTP precursor. These troops learned to respond to internal threats from terrorism and banditry. In 2005 and 2006, Chad participated in several U.S. military training programs, including the Flintlock exercise. U.S. assistance continues with retraining of the PSI unit, and training of additional recruits.

¶14. (C) Post also works to counter terrorist threats by implementing a program of Muslim outreach and providing development assistance to counter the conditions which can foster extremism. For the most part, Chadian Muslims are moderate and Muslim leadership in Chad is supportive of U.S. programs throughout the country. Muslim leaders also work closely with the government to rein in radical Islamic elements.

DEBY, DEMOCRACY, AND DEVELOPMENT

¶15. (SBU) Chad's human rights record remains poor and government institutions lack the capacity and the will to bring justice to average Chadians. President Idriss Deby Itno oversaw a return to democracy in 1995 after seizing power by force, but subsequent presidential and legislative elections were flawed and the Constitution was revised in 2005 to abolish Presidential term limits. The President was re-elected for a third five-year term in May 2006 in an election boycotted by the opposition. However, some positive steps have been taken concerning electoral reform for the

upcoming communal and legislative elections, with the support of the European Union (EU) and the UN. If successful, these will lay a positive foundation for Presidential elections in 2011.

¶16. (C) The international corruption watchdog organization, "Transparency International" named Chad (along with Bangladesh) as the world's most corrupt country in 2005. Corruption permeates most aspects of government operations. Civil society remains fragmented and too weak to pose a counterbalance to government power.

THE U.S. PRESENCE IN CHAD

¶17. (SBU) The United States closed its USAID Mission in Chad over ten years ago. A modest amount of U.S. assistance is managed directly by the Embassy and supports grass-roots efforts to improve education, provide access to water, and promote human rights. TSCTP development funding for community empowerment and conflict mitigation in areas where the risk of Islamic extremism is deemed high is handled by a USAID sub-contractor, the Academy for Educational Development (AED). The Mission also maintains a strong outreach to Muslim communities through its public diplomacy programs.

¶18. (SBU) The United States Embassy in Chad has 28 direct hire-Americans. The American community in Chad - never large - was reduced significantly following the drawdown of personnel from the UN, international NGO's and the oil consortium after the April 2006 attacks on N'djamena by Chadian rebels. As a result of unrest, the Peace Corps program has been closed and suspended indefinitely. Americans are not targets in the struggle between President Deby and rebel contenders, but the danger of widespread civil disorder is very real.

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